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**TO:** The Arizona Corporation Commission  
**FROM:** Robert Hoskins, Arizona Solar Power Society  
**DATE:** August 16, 2011  
**DOCKET NO.:** E-01345A-11-0264  
**REGARDING:** APS Unethical Renewable Energy Credit Collection

Dear Chairman Pierce and Commissioners:

For the record, we would like the Arizona Corporation Commission to examine the current APS practice of collecting Renewable Energy Credits in order to meet their compliance requirements for Arizona's Renewable Energy Standard.

If a customer went to the store and picked up two loafs of bread, then went to the cashier and only paid for one loaf, but took two loafs of bread, they would be arrested for stealing one loaf. A loaf of bread only costs around \$2.00, but installing solar is a lot more expensive.

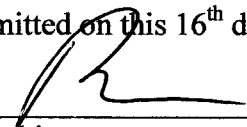
The installed cost-per-watt for a distributed energy solar power array is \$4.50 per watt. At this rate, an APS residential ratepayer that installs a 5,000-watt solar power array will pay \$22,500. The APS residential solar rebate as of July 2011 was only \$1.00 per watt. At this rate, APS only pays \$5,000 for the solar power installation's cost, while the ratepayer pays \$17,500 out of their own pocket.

A 5,000-watt solar power array will generate 150 RECs over its 25-year lifecycle. If APS only pays a ratepayer for ~20% of the solar power system's cost, they should only be allowed to collect 20% of the associated RECs because that is what they legally paid to receive. And ratepayers should be allowed to collect their fair share ~80% of the RECs and sell them to APS at full market value to recoup their investment in solar.

This practice is allowing APS to artificially inflate their REC collection figures. APS should not be allowed to only pay for 20% of 30 RECs worth \$5,000, yet take 80% of the 120 RECs worth \$17,500 that they did not legally pay to receive.

Ratepayers blindly sign away their RECs because they do not understand the contract that APS requires them to sign nor do they understand the true value of a REC. Is it fair to ratepayers, that voted you into office to protect them, to allow APS to take away \$17,500 worth of RECs that they did not legally pay to receive? This unethical business practice needs to be stopped.


Respectfully submitted on this 16<sup>th</sup> day of August 2011.

By   
 Robert Hoskins  
 Executive Director  
 Arizona Solar Power Society

Arizona Corporation Commission

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